



PATRICK OGAWA
ACTING EXECUTIVE OFFICER

COUNTY OF LOS ANGELES BOARD OF SUPERVISORS

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 383
LOS ANGELES, CALIFORNIA 90012
(213) 974-1411 • FAX (213) 620-0636

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December 16, 2015

Mr. Michael Picker, President
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Dear Mr. Picker:

We are writing to urge you to reject Pacific Gas & Electric's (PG&E) proposed increase to the Power Charge Indifference Adjustment (PCIA), and also to determine the need for charges like PCIA in light of the potential growth of Community Choice Aggregations (CCA) Statewide.

The California Legislature adopted CCA legislation in 2002 that set forth the process by which cities and counties in California can form nonprofit entities that purchase electricity from wholesale power generators on behalf of their communities. A CCA replaces the existing, investor-owned utilities (e.g., Southern California Edison, PG&E) in obtaining electricity and designing retail electricity rates for end-use customers. A CCA relies upon existing electric distribution infrastructure managed by investor-owned utilities to transport electricity to customers. Under the terms of the enabling legislation, the CCA becomes the de facto electricity provider for the community's residents. All customers are transitioned into the CCA and must opt out to remain with the investor-owned utility.

Because CCAs are non-profit entities, they are able to provide their customers with less-expensive energy than for-profit investor-owned utilities. Moreover, CCAs may choose to provide power that is greener than that of investor-owned utilities, who are currently required to provide 20% green energy, rising to 33% by 2020. Additionally, the CCAs can, through their rate structure and incentives programs, encourage customers to install renewable energy-producing infrastructure on-site by compensating customers for power that they return to the grid. Thus, CCAs can be a win-win for communities they serve by providing cleaner, less expensive electricity.

The California Public Utilities Commission (CPUC) authorized the investor-owned utilities to charge customers who participate in CCA programs an "exit fee" called the PCIA, which may be annually revised to take account of the cost of utilities' electric supply that exceeds a market benchmark.

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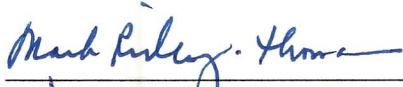
It has recently come to our attention that PG&E submitted Application 12-06-001, which requests that the Statewide PCIA for PG&E'S former customers who choose to switch to a CCA be adjusted upward by approximately 95%, effective January 2016. A 95% increase in the PCIA implemented all at once will impose a significant cost increase on CCA customers, and will make it much more challenging and expensive for jurisdictions like Los Angeles County to implement a CCA. This proposed fee increase would make CCAs less competitive vis-à-vis the utilities. While this PCIA increase only impacts communities within PG&E's jurisdiction, approval of the significant rate increase would open the door for other utilities to petition the CPUC to do the same. In short, PG&E's request, if approved, would create terrible precedent for other jurisdictions seeking to form a CCA.

Your consideration of this important request is greatly appreciated.

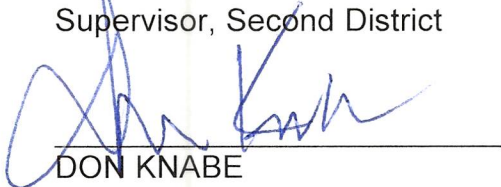
Sincerely,



HILDA L. SOLIS
Chair of the Board
Supervisor, First District



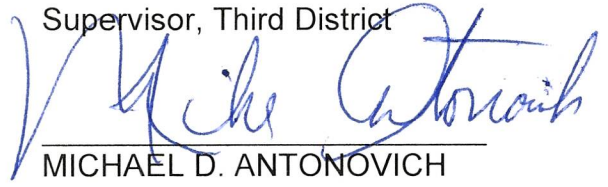
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